The earlier notice for pre-qualification of bidders for this project indicated that Diprail circular cooler/ straightline cooler would be a part of new sinter plant. SAIL has not prequalified M/s. HEC as a prime bidder on the ground that they have not built sinter plants on turnkey basis and keeping in view HEC's track record in various projects executed for SAIL. However, SAIL decided that M/s. HEC would be considered as an associate of M/s. Mitsui, Japan and/ or M/s. TPE, Russia.

(b) The project report was prepared keeping in view the state-of-art sintering technology and not based on VSP's sinter plant only.

It is a fact that the Ministry of Industry had proposed to the Ministry of Steel to award the contract for the project to M/s. HEC on negotiated basis. However, the Government while taking investment decision (for State-I clearance) in November 1993 decided to go for global tenders to get most competitive techno-commercial offer with latest state-of-art technology.

(c) There was no proposal before PIB to award the job to HEC. Further, the tendering process for the project is still on and price bids are yet to be firmed up. Hence, the question of the approved estimated cost being exceeded does not arise.

(d) Does not arise in view of the facts stated above.

BID by Heavy Engineering Corporation Ltd. for Revamping Hot Strip Mill

6662. SHRI DIPANKAR MUKHERJEE:
SHRIMATI CHANDRA KALA PANDEY:

Will the Minister of STEEL be pleased to state:

(a) whether in Bokaro Steel Plant, Heavy Engineering Corporation Limited, Ranchi alongwith NKMZ, Ukraine, the supplier of the Existing Hot Strip Mill plant, were not prequalified to bid for the project of revamping of the existing Hot Strip Mill (Rs. 550 crores project) if so, the reason for the elimination of HEC as a bidder;

(b) whether order for the continuous casting machine of BSL was not placed of HEC, eventhough HEC's price (Rs. 573.9 cr.) for the package of engineering Design|supply|Erection|Commissioning of Plants|Equipments|Spares is less than the price (Rs. 594.4 cr.) at which this main turn-key project has been ordered;

(c) whether to make HEC's price more, the price of consumables was loaded which was not as per original tender specifications and only after 2nd submission of price bid, tenderers were asked to submit the same; and

(d) whether the above is not indicative of total apathy of Steel Ministry of HEC which was set up to manufacture equipments for Steel Plants if so, the reaction taken to ensure justice to this sick PSU to ensure order the HEC from Steel Plants?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir. The reason for their elimination was that they did not offer the latest state-of-art technology in the said area.

(b) M|s. HEC failed to qualify as the L-1 bidder after techno commercial evaluation of the offers for the Continuous Casting Package of Bokaro Steel Plant modernisation (Stage-I). The order for this package was placed at Rs. 653.73 crores whereas M|s. HEC's evaluated offer was for Rs. 678.98 crores.

(c) No, Sir. The prices of consumables for six months (after commissioning) were to be quoted alongwith the offer. This was specified in the Notice Inviting Tenders (NIT).

(d) No, Sir. SAIL's decisions in respect of the aforesaid packages were guided by its assessment of the technological acceptability and commercial competitiveness of the competing offers as also past experience of the parties in executing such projects, and therefore Government did not see any reason to interfere.